

Comment #2- 11/8/11 – 2:05 p.m.

This comment message represents my personal opinion and not necessarily the opinion of either my employer nor of any actuarial organization to which I belong.

A previous round of revisions was promulgated under which the scope of ASOP #38 would have been expanded to all practice areas. I commented favorably upon the idea.

Therefore, I was understandably disappointed to see that the earlier drafts had been withdrawn and the revision of ASOP 38 sent back to the Property and Casualty committee. "As a result of the comments received on the second exposure draft, the ASB referred the item back to the Casualty Committee to maintain ASOP No. 38 as a standard applicable only to the Casualty practice area," as reported in the recent issue of *BOXSCORE*.

Now, I am even more disappointed in that the current draft offers absolutely no explanation of why the general version was found unacceptable. Normally, comment letters are summarized and the response of the committee shared in the subsequent draft. That was not done this time.

Meanwhile, actuarial practice is evolving rapidly in the area of Enterprise Risk Management. It seems to me that the models in question could frequently be used by risk management actuaries, including those whose training came from the life side of the profession.

I hope that the final version of ASOP 38 will make it abundantly clear that it applies to ANY actuary using these models, whether or not they are practicing in the Property and Casualty area.

Thank you for the opportunity to comment.

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